

Why Do We Need A Town Policy? Problem Orientation

Amherst has **NO GOALS** for the development of affordable housing.

The student population increasingly has taken over market rate rental property in Amherst; over 50% of the Town population is in the 15-24 age range. Since the year 2000, the gap between the number of students enrolled and campus residential capacity has steadily increased from 12,570 to 16,741, an increase of over 4,000 students seeking housing in the local market. The University has admitted a few thousand more students this Fall, above and beyond their planned goals!

Rents continue to rise in Amherst exceeding the resources of both low and middle income individuals and families; 57% percent of renter households are either "cost burdened" or "severely cost burdened".

People who receive HUD mobile housing vouchers (formerly Section 8) from the Amherst Housing Authority are generally NOT able to use them in Amherst. In the last two years, 2017 and 2018, AHA issued a total of 70 vouchers; only 16 were leased up in Amherst. (23 expired before they could be leased up anywhere.)

The cost of home ownership also continues to rise. About 20% percent of homeownership households are either "cost burdened" or "severely cost burdened". Persons who are older/long term Town residents experience increasing costs associated with housing and may be forced out of both their existing housing and the community.

The population of families with school age children has been dropping significantly since the year 2000, as has the resident k-12 population in Amherst schools. Since the year 2000 there are an estimated 700 fewer families with school age children living in Amherst and over 1,000 fewer school-age children.

Homelessness: Craig's Doors, the Amherst seasonal homeless shelter, continues to serve about 200 individuals each season (November 1-May 1). During the rest of the year many individuals seek places to camp out, but are often forced out for trespassing on both public and private land.

The Town itself has very limited means to subsidize development of affordable housing.

- CPA funds
- Community Development Block Grant (CDBG) funds
- Tax Incentive Financing
- Town surplus property
- Short term rental (AirBnB) fees dedicated to affordable housing
- Inclusionary zoning requirements
- Payments *in lieu* to the Housing Trust

Draft Affordable Housing Policy – Key Elements

The following are the Town of Amherst's funding priorities for preserving existing and developing new affordable housing units with permanent affordability restrictions:

- **Creation of rental housing for families**, particularly those earning below 50% of Area Median Income (AMI) and the growing number of smaller households that are increasingly single parents with children.
- **Creation of rental housing for individuals** who require smaller affordable housing units (*e.g.*, studio apartments), including housing for at risk and special needs populations that often require special services and handicapped accessibility, particularly persons whose incomes are below 30% AMI.
- **Preservation of existing affordable rental housing**, including subsidized units and those in the private housing market, which are typically more cost effective to rehabilitate than to build new.
- **Affordable homeownership** for low and moderate income families and individuals.

Production and Preservation Goals and Affordability Level: Percentage of Area Median Income (AMI) that individuals and families earn, and projected number of units to be developed.

- **250 Units for households earning less than 80% AMI:** The first priority is the development of new residential units that will qualify for the State's Subsidized Housing Inventory. This means that they must all be below 80% AMI. However, within that there must be a range of affordability. For projects with ten or more affordable units, the **average AMI must be no greater than 50% and at least ten percent of units must be no greater than 30% AMI.** Smaller projects should be reasonably consistent with these priorities proportion of units at various income levels. The total number of units to be developed for this level of affordability is 250 over the next five to ten years, consistent with goals set in the Housing Production Plan.
- **100 Units at 80-100% AMI:** Additional units should be developed that are above 80% AMI. There is a need to serve both individuals and families with an income that qualifies them at this level as well as persons below 80% AMI.
- **Local Subsidy Costs:** The largest share of Town tax dollars contributing to the development of affordable housing have come from CPA funds. These have been supplemented by Community Development Block Grant (CDBG) funds, which are not Town tax dollars. Two other Town forms of subsidy are now available, Tax Incentive Financing and Town surplus property. In addition, a zoning change adopted by Town Meeting in 2017 allows developers to pay into the Housing Trust *in lieu of* establishing affordable units in developments that trigger the inclusionary housing provision of the Zoning Bylaw. The cost of affordable units will vary with the project, but will certainly affect the need to use CPA and CDBG funding.

**FALL HOUSING FORUM: The Housing Crisis in Amherst
Monday, Nov. 4th or 11th or (less likely) October 28th**